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SUBJECT: OMANI COMMERCE MINISTER: "WE ARE SO CLOSE" ON FTA

Classified By: Ambassador Gary A. Grappo, Reasons 1.4 (b, d)

¶1. (SBU) On April 26, the Ambassador reviewed the status of the U.S.-Oman Free Trade Agreement (FTA) with Commerce and Industry Minister Maqbool bin Ali Sultan. Maqbool prefaced the conversation by noting that "we are so close" in wrapping up the outstanding issues needed for the Agreement's implementation to occur.

¶2. (SBU) On intellectual property, Maqbool stated that Oman did not have any remaining objections to the draft copyright law, and thus should be able to conclude discussions on this issue shortly. On Domain Names, he agreed with the USG suggestion to refer disputes to the World Intellectual Property Organization (WIPO). However, he asked that the U.S. allow both sides in a dispute to first attempt to resolve their differences through a mediation process led on the Omani side by the Telecommunications Regulatory Authority (TRA). The Minister added, "Why go to WIPO if we can settle it between the two of us? If that doesn't work, that is, if the U.S. party is dissatisfied with a TRA finding, then it can be referred to WIPO."

¶3. (SBU) On transition periods for the operation of electronic means and electronic databases, and for rules pertaining to the Patent Cooperation Treaty, Maqbool recollected that Oman had initially asked for a three year period during the negotiation process. He said that when he learned that Bahrain had agreed to just one year with the USG, he agreed to change Oman's position on these rules to a single year, and six months for all the other rules. (Note: Maqbool appeared frustrated by the perceived change in the USG position not to include such transitions. End Note). In selling the FTA to the Omani cabinet, Maqbool remarked that he could successfully argue that Oman was getting the same treatment as Bahrain, but could not argue that Oman was getting worse. On patent and data protection, Maqbool again voiced his concern that the USG had initially accepted Oman's language for Article 65, but now was "reopening it for review." He stated that his IPR team (with considerable input from WIPO) had found the current language to be satisfactory.

¶4. (SBU) Maqbool briefly shared his perspective on the remaining outstanding issues. Concerning anti-bribery, the Minister thought that Oman had adequately covered this issue throughout its legal framework, but was open to signing a side-letter to satisfy USG concerns. Maqbool also preferred to resolve the matter of Omanization via side letter, noting that it would be "impossible" to issue a new law that would be applicable to all foreign companies. (Comment: Given the domestic sensitivities associated with this issue, it is extremely unlikely that the Sultan would agree to new

legislation. End comment.) On transparency, Maqbool felt that there were no real problems to address; on telecommunications, the Minister expressed his opinion that both sides were moving toward conclusion. Finally, on government procurement, Maqbool apologized for the delay in providing a draft of the new tender law, and remarked that he personally had to intervene to break a deadlock between the Ministry of Legal Affairs and the Ministry of Commerce and Industry. He said that the process is "back on track" and that he would get the Embassy a draft "soon."

15. (C) Comment: The meeting with Maqbool went much better than the teleconference the Ambassador had with the Minister on April 21. Maqbool appeared upbeat about the progress we are making on the FTA, as evidenced by his agreement to send his IPR staff to Washington for consultations as needed. Maqbool was confident that the May 5 trip by Ambassador Jennifer Hillman would lead to further progress on closing out several outstanding issues. The Embassy is working with USTR and the Ministry on a draft schedule for Ambassador Hilman that would focus on customs, Omanization, labor, environment, and anti-bribery concerns. Other meetings with the Ministry of Commerce and Industry, Telecommunications Regulatory Authority and Ministry of Legal Affairs will be arranged to address intellectual property, telecommunications, and government procurement concerns, respectively. End Comment.
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